

## HOUSE BILL NO. 623

INTRODUCED BY OLSON

1  
2  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE NATURE OF PROPERTY TAX LIEN SALES;  
5 CORRECTING TERMINOLOGY TO ENSURE THAT SALES AND SALES CERTIFICATES REFLECT THAT  
6 WHAT IS SOLD UPON NONPAYMENT OF PROPERTY TAXES IS A LIEN UPON THE PROPERTY;  
7 PROVIDING THAT PROPERTY TAX LIEN SALES ARE CONDUCTED AT A COUNTY TREASURER'S OFFICE;  
8 AMENDING SECTIONS 7-2-2722, 7-6-4423, 15-16-101, 15-17-121, 15-17-122, 15-17-124, 15-17-131,  
9 15-17-211, 15-17-212, 15-17-213, 15-17-214, 15-17-317, 15-17-321, 15-17-323, 15-17-324, 15-17-325,  
10 15-17-326, 15-18-111, 15-18-113, 15-18-114, 15-18-211, 15-18-212, 15-18-213, 15-18-214, 15-18-215,  
11 15-18-217, 15-18-218, 39-3-501, 85-7-2136, 85-7-2152, 85-7-2157, 85-7-2158, 85-7-2159, 85-7-2162, 85-7-2163,  
12 AND 85-8-601, MCA."

13

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15

16 **Section 1.** Section 7-2-2722, MCA, is amended to read:

17 **"7-2-2722. Disposition of property.** Each county to which any part of the territory of an abandoned  
18 county is attached and made a part ~~shall~~:

19 (1) ~~shall~~ succeed to, ~~must~~ have, ~~must~~ possess, and ~~shall~~ own all real estate, all improvements ~~thereon~~  
20 on the property, all tangible property, and all county highways situated within the territory of the abandoned county  
21 attached to ~~such~~ the county and all certificates of tax ~~sale~~ lien sales to lands and improvements ~~thereon~~ on the  
22 lands situated within ~~such~~ the territory; and

23 (2) ~~have~~ has the same right and power to sell and assign ~~such~~ the certificates and to apply for and obtain  
24 tax deeds to ~~such~~ the lands and improvements and to sell and dispose of the ~~same~~ lands and improvements as  
25 were or would have been possessed by the abandoned county if it had not been abandoned."

26

27 **Section 2.** Section 7-6-4423, MCA, is amended to read:

28 **"7-6-4423. Sales for delinquent taxes when municipality collects municipal tax.** (1) (a) In a city or  
29 town that collects its own taxes or special assessments when any taxes or assessments become delinquent, a  
30 tax lien sale may not be held by the city or town unless the city treasurer or town clerk, within 10 working days

1 after the date on which the taxes or assessments become delinquent, certifies the delinquent taxes and  
2 assessments to the county treasurer of the county in which the city or town is situated.

3 (b) The certificate must contain:

4 (i) the description of each lot or parcel of land on which any tax or assessment has become delinquent;

5 (ii) the name and address of the person taxed or assessed;

6 (iii) the date when the tax or assessment became delinquent;

7 (iv) the amount of the delinquent tax or assessment; and the penalty to be added, if any.

8 (c) If any special assessment is payable in installments and any installment becomes delinquent, the  
9 amount of the delinquent installment must be included in the certificate. If the city or town council, by the adoption  
10 of an appropriate resolution, declares the total assessment remaining unpaid to be delinquent, as provided in  
11 7-12-4182, then that total must be included in the certificate.

12 (2) Upon receipt of the certificate, the county treasurer shall enter the delinquent taxes and assessments  
13 in the delinquent tax list of the county, and the county treasurer in selling property for delinquent taxes shall  
14 include all city and town delinquent taxes and assessments. There may be only one sale for each piece of  
15 property. The sale must cover the aggregate of the city, town, county, and state taxes and special assessments,  
16 including penalties, interest, and costs provided by law."

17

18 **Section 3.** Section 15-16-101, MCA, is amended to read:

19 **"15-16-101. Treasurer to publish notice -- manner of publication.** (1) Within 10 days after the receipt  
20 of the property tax record, the county treasurer shall publish a notice specifying:

21 (a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next  
22 November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount  
23 then due will be delinquent and will draw interest at the rate of 5/6 of 1% per a month from the time of delinquency  
24 until paid and 2% will be added to the delinquent taxes as a penalty;

25 (b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on the next  
26 May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the rate of 5/6  
27 of 1% per a month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a  
28 penalty; and

29 (c) the time and place at which payment of taxes may be made.

30 (2) (a) The county treasurer shall send to the last-known address of each taxpayer a written notice,

1 postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due  
2 and delinquent for other years. The written notice must include:

- 3 (i) the taxable value of the property;  
4 (ii) the total mill levy applied to that taxable value;  
5 (iii) itemized city services and special improvement district assessments collected by the county;  
6 (iv) the number of the school district in which the property is located; and  
7 (v) the amount of the total tax due that is levied as city tax, county tax, state tax, school district tax, and  
8 other tax.

9 (b) If the property is the subject of a tax lien sale for which a tax ~~sale~~ lien sale certificate has been issued  
10 under 15-17-212, the notice must also include, in a manner calculated to draw attention, a statement that the  
11 property is the subject of a tax lien sale and that the taxpayer may contact the county treasurer for complete  
12 information.

13 (3) The municipality shall, upon request of the county treasurer, provide the information to be included  
14 under subsection (2)(a)(iii) ready for mailing.

15 (4) The notice in every case must be published once a week for 2 weeks in a weekly or daily newspaper  
16 published in the county, if there is one, or if there is not, then by posting it in three public places. Failure to publish  
17 or post notices does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax due for the  
18 current year or of delinquent tax will not affect the legality of the tax.

19 (5) If the department revises an assessment that results in an additional tax of \$5 or less, an additional  
20 tax is not owed and a new tax bill does not need to be prepared."  
21

22 **Section 4.** Section 15-17-121, MCA, is amended to read:

23 **"15-17-121. Definitions.** Except as otherwise specifically provided, when terms mentioned in Title 15,  
24 chapters 17 and 18, are used in connection with taxation, they are defined in the following manner:

25 (1) "Certificate" or "tax ~~sale~~ lien sale certificate" means the document described in 15-17-212.

26 (2) (a) "Cost" means the cost incurred by the county as a result of a taxpayer's failure to pay taxes when  
27 due. It includes but is not limited to any actual out-of-pocket expenses incurred by the county plus the  
28 administrative cost of:

- 29 (i) preparing the list of delinquent taxes;  
30 (ii) preparing the notice of pending tax lien sale;

- 1 (iii) conducting the tax lien sale;
- 2 (iv) assigning the county's interest in a tax lien to a third party;
- 3 (v) identifying interested persons entitled to notice of the pending issuance of a tax deed;
- 4 (vi) notifying interested persons;
- 5 (vii) issuing the tax deed; and
- 6 (viii) any other administrative task associated with accounting for or collecting delinquent taxes.
- 7 (b) The term includes receipted costs that are required by law and incurred by the purchaser of a
- 8 property tax lien other than the county. The purchaser of the property tax lien shall provide receipts to the county
- 9 treasurer upon issuance of a tax ~~sale~~ lien sale certificate as required in 15-17-212 and notification that a tax deed
- 10 may be issued as required by 15-18-212 and 15-18-216.
- 11 (c) The term does not include interest for payments for the following:
- 12 (i) postage for certified mailings and certified mailings with return receipt requested;
- 13 (ii) a title search, to the extent necessary to identify interested persons entitled to notice of the pending
- 14 issuance of a tax deed;
- 15 (iii) publishing costs for required publications; and
- 16 (iv) filing costs for proof of notice.
- 17 (3) "County" means any county government and includes those classified as consolidated governments.
- 18 (4) "Property tax lien" means a lien acquired by the payment at a tax lien sale of all outstanding
- 19 delinquent taxes, including penalties, interest, and costs.
- 20 (5) "Purchaser" means any person, other than the person to whom the property is assessed, who pays
- 21 at the tax lien sale the delinquent taxes, including penalties, interest, and costs, and receives a certificate
- 22 representing a lien on the property or who is otherwise listed as the purchaser. An assignee is a purchaser.
- 23 (6) "Tax", "taxes", or "property taxes" means all ad valorem property taxes, property assessments, fees
- 24 related to property, and assessments for special improvement districts and rural special improvement districts.
- 25 (7) "Tax lien sale" means:
- 26 (a) with respect to real property and improvements, the offering for sale by the county treasurer of a
- 27 property tax lien representing delinquent taxes, including penalties, interest, and costs; and
- 28 (b) with respect to personal property, the offering for sale by the county treasurer of personal property
- 29 on which the taxes are delinquent or other personal property on which the delinquent taxes are a lien."
- 30

1           **Section 5.** Section 15-17-122, MCA, is amended to read:

2           **"15-17-122. Notice of pending tax lien sale.** (1) The county treasurer shall publish or post a notice of  
3 a pending tax lien sale. The notice must include:

4           (a) the specific time, date, and place an interest in the property on which the taxes are delinquent will  
5 be offered for sale;

6           (b) a statement that the delinquent taxes, including penalties, interest, and costs, are a lien upon the  
7 property and that unless the delinquent taxes, penalties, interest, and costs are paid prior to the time of the tax  
8 lien sale, the lien will be offered for sale at the time and place specified in subsection (1)(a).

9           (2) The notice required in subsection (1) must also include a statement that a list of each property on  
10 which the taxes are delinquent is on file in the office of the county treasurer and open to inspection. The list must  
11 include:

12           (a) the name and address of the person to whom the delinquent taxes are assessed;

13           (b) the amounts of the delinquent taxes, all accrued penalties, interest, and other costs; and

14           (c) a statement that penalties, interest, and costs will be added to delinquent taxes.

15           (3) The notice must be published once a week for 3 consecutive weeks in the newspaper designated  
16 for county printing as provided in 7-5-2411. If no newspaper is published in the county, the notice must be posted  
17 by the county treasurer in three public places. The notice must be first published or posted on or before the last  
18 Monday in June.

19           (4) Except as provided in 15-17-211(2), the tax lien sale may not be held less than 21 days or more than  
20 28 days from the date of first publication or first day the notice is posted.

21           (5) The sale must be held at the ~~county courthouse~~ office of the county treasurer.

22           (6) Property on which taxes are delinquent but for which proper notification was not made may not be  
23 included in the current year's notice and tax lien sale. In the event of improper notification, the tax lien sale may  
24 be held on all property properly noticed.

25           (7) The provisions of this section do not apply to property for which delinquent property taxes have been  
26 suspended or canceled under the provisions of Title 15, chapter 24, part 17."

27

28           **Section 6.** Section 15-17-124, MCA, is amended to read:

29           **"15-17-124. Irregular assessment.** If the county treasurer discovers, prior to the tax lien sale, that  
30 property on which the taxes are delinquent has been irregularly assessed, the county treasurer may not offer the

1 property or a property tax lien for sale. The taxes on the property must be listed on the property tax record as  
2 uncollected for the year in which they were due, and they must be assessed and collected during the succeeding  
3 year as taxes are regularly assessed and collected."  
4

5 **Section 7.** Section 15-17-131, MCA, is amended to read:

6 **"15-17-131. Common undivided ownership interest -- separate assessment -- property tax**  
7 **payments.** (1) Except as provided in subsection (2), payment of all property taxes on a parcel by any co-owner  
8 is considered payment by all owners, whether or not the property is assessed and taxed separately to co-owners  
9 or to a single owner. Any payment by a co-owner in excess of the amount assessed to the co-owner must be the  
10 total amount due on the parcel or a partial payment amounting to a year of deficiency, as provided in  
11 15-16-102(5)(a). The nonpayment of taxes by a co-owner who is separately assessed and taxed subjects only  
12 the interest of the nonpaying co-owner to a tax lien sale.

13 (2) (a) A co-owner may receive a tax lien on property in which the co-owner has an undivided interest  
14 if:

15 (i) the co-owner pays the proportional amount of taxes on that co-owner's interest and on another  
16 co-owner's interest;

17 (ii) the paying co-owner has notified the nonpaying co-owner of the property tax payments and annually  
18 demands reimbursement in writing by certified mail, return receipt requested, addressed to the nonpaying  
19 co-owner's last-known mailing address; and

20 (iii) the paying co-owner has paid the property taxes for 3 consecutive years without reimbursement.

21 (b) Upon proof that a co-owner has complied with the provisions of this subsection (2), the paying  
22 co-owner is considered the purchaser of a tax lien on the ownership interest of the nonpaying co-owner and the  
23 county treasurer shall prepare a tax ~~sale~~ lien sale certificate with the paying co-owner as the purchaser. The  
24 certificate shall conform to the provisions of 15-17-212, except the certificate need not contain the information  
25 required in 15-17-212(1)(a) and (1)(b). The treasurer shall comply with the provisions of 15-17-212(2) regarding  
26 the certificate.

27 (c) For the purposes of this subsection (2), if there are more than two co-owners, single and multiple  
28 paying co-owners can receive a tax lien on the undivided interests of single and multiple nonpaying co-owners."  
29

30 **Section 8.** Section 15-17-211, MCA, is amended to read:

1           **"15-17-211. Conduct of tax lien sale.** (1) On the date and at the time and place specified in the notice,  
2 the county treasurer shall, except as provided in 15-17-124, begin the tax lien sale of all property described in  
3 the list required in 15-17-122(2). The tax lien sale must continue until the county treasurer declares it over, but  
4 must continue for a period of not less than 1 day. The treasurer is not required to read the list but shall make a  
5 copy of the list available for public inspection during regular business hours.

6           (2) The treasurer may postpone the day of commencing the tax lien sale on a day-to-day basis without  
7 publishing a new notice, ~~provided that~~ if the sale is held within 3 weeks from the day first fixed.

8           (3) Property assessed under 15-17-324 that has not been sold to a purchaser other than the county may,  
9 at the discretion of the county treasurer, be offered for sale at tax lien sales subsequent to the tax lien sale at  
10 which it was first offered."  
11

12           **Section 9.** Section 15-17-212, MCA, is amended to read:

13           **"15-17-212. Tax ~~sale~~ lien sale certificate.** (1) After receiving proof of mail notice to the person to whom  
14 the property was assessed, as required by subsection (3), and upon receipt of all delinquent taxes, penalties,  
15 interest, and costs, the county treasurer shall prepare a tax ~~sale~~ lien sale certificate that must contain:

- 16           (a) the date on which the property taxes became delinquent;  
17           (b) the date on which a property tax lien was sold at a tax lien sale;  
18           (c) the name and address of record of the person to whom the taxes were assessed;  
19           (d) a description of the property on which the taxes were assessed;  
20           (e) the name and mailing address of the purchaser;  
21           (f) the amount paid to liquidate the delinquency, including a separate listing of the amount of the  
22 delinquent taxes, penalties, interest, and costs;  
23           (g) a statement that the certificate represents a lien on the property that may lead to the issuance of a  
24 tax deed for the property;  
25           (h) a statement specifying the date on which the purchaser will be entitled to a tax deed; and  
26           (i) an identification number corresponding to the tax ~~sale~~ lien sale certificate number recorded by the  
27 county treasurer as required in 15-17-213.

28           (2) The certificate must be signed by the county treasurer and delivered to the purchaser. A copy of the  
29 certificate must be filed by the treasurer in the office of the county clerk. A copy of the certificate must also be  
30 mailed to the person to whom the taxes were assessed, at the address of record, together with a notice that the

1 person may contact the county treasurer for further information on property tax lien sales.

2 (3) Prior to paying delinquent taxes, penalties, interests, and costs received by the county treasurer  
3 under subsection (1), a person shall send notice of the proposed payment, by certified mail, to the person to  
4 whom the property was assessed. The form of the notice must be adopted by the department by rule. The notice  
5 must have been mailed at least 2 weeks prior to the date of the payment. The person making the payment shall  
6 provide proof of the mailing."

7

8 **Section 10.** Section 15-17-213, MCA, is amended to read:

9 **"15-17-213. Treasurer to record tax lien sales.** Prior to delivering the tax ~~sale~~ lien sale certificate to  
10 the purchaser, the county treasurer shall make a record of the tax lien sale. The record must include:

11 (1) the name and address of the purchaser;

12 (2) the date on which the tax lien was purchased;

13 (3) a description of the property on which the certificate is a lien, which description must correspond to  
14 the description listed on the certificate;

15 (4) the amount paid to liquidate the delinquency, including a separate listing of the amount of the  
16 delinquent taxes, penalties, interest, and costs; and

17 (5) a number identifying the tax ~~sale~~ lien sale certificate issued upon payment of the delinquency."

18

19 **Section 11.** Section 15-17-214, MCA, is amended to read:

20 **"15-17-214. County as purchaser -- assignment.** (1) If no person pays the delinquent taxes, including  
21 penalties, interest, and costs, on the first day of the tax lien sale, the county is considered to be the purchaser.

22 (2) (a) After ~~the 21st day following the first day of the tax lien sale,~~ the county treasurer shall identify and  
23 list all property tax liens that ~~was~~ were sold at the tax lien sale. ~~He~~ The county treasurer shall also record that  
24 the county is the purchaser of all property remaining unsold and upon which the taxes remain delinquent.

25 (b) The record of the property in which the county is listed as the purchaser may be made by the  
26 treasurer by a separate tax ~~sale~~ lien sale certificate of each property or by reference to the property as recorded  
27 in the list required under 15-16-301.

28 (3) A property tax lien of the county in any property acquired by the county under subsection (1) must  
29 be assigned by the county treasurer, as provided in 15-17-323, upon the payment of all delinquent taxes,  
30 including penalties, interest, and costs specified in 15-17-323."

1

2           **Section 12.** Section 15-17-317, MCA, is amended to read:

3           **"15-17-317. Municipality as purchaser.** Whenever property that has been struck off to the county at  
4 a tax lien sale under 15-17-214 is subject to the lien of delinquent special assessments and has not been  
5 assigned under 15-17-214 or 15-17-323 at the request of the municipality, the county treasurer shall assign all  
6 of the rights of the county acquired in the property at the tax lien sale to the municipality upon payment of any  
7 delinquent taxes, ~~(excluding assessments)~~, and costs, without penalty or interest. The duplicate certificate of sale  
8 must be delivered to the treasurer of the municipality, who shall file it. A charge may not be made for the duplicate  
9 certificate when the municipality is the purchaser, and the county treasurer shall make an entry "sold to the  
10 municipality" on the property tax record opposite the tax. The county treasurer must be credited with the  
11 delinquent amount in the settlement. Property sold to the municipality must be held in trust by the municipality  
12 for the improvement fund into which the delinquent special assessments are payable."

13

14           **Section 13.** Section 15-17-321, MCA, is amended to read:

15           **"15-17-321. Resale for nonpayment.** (1) If a purchaser other than the county does not pay the  
16 delinquent taxes, including penalties, interest, and costs, before 10 a.m. on the next business day following the  
17 day of purchase at a tax lien sale, the property must be made available for sale for the amount of the delinquent  
18 taxes, including penalties, interest, and costs, on the following business day of the tax lien sale, except as  
19 provided in subsection (2).

20           (2) If the sale was made on the last day of the tax lien sale and payment was not received as provided  
21 in subsection (1), the county is considered to be the purchaser as provided in 15-17-214."

22

23           **Section 14.** Section 15-17-323, MCA, is amended to read:

24           **"15-17-323. Assignment of rights -- form.** (1) A tax lien sale certificate or other official record in which  
25 the county is listed as the purchaser must be assigned by the county treasurer to any person who, after providing  
26 proof of mail notice to the person to whom the property was assessed, as required by subsection (5), pays to the  
27 county the amount of the delinquent taxes, including penalties, interest, and costs, accruing from the date of  
28 delinquency.

29           (2) (a) The assignment made under subsection (1) must be in the form of an assignment certificate in  
30 substantially the following form:

1 I, ....., the treasurer of ..... County, state of Montana, hereby certify that a tax sale for tax year 20...,  
 2 in the county of ....., was held on ..... (date), for the purpose of liquidating delinquent assessments, and I  
 3 further certify that a property tax lien for delinquent taxes in the following property ..... (insert property  
 4 description) was offered for sale and that there was no purchaser of the property tax lien. Accordingly, the county  
 5 was listed as the purchaser as required by 15-17-214, MCA. As of the date of this certificate, the delinquency,  
 6 including penalties, interest, and costs amounting to \$ ....., has not been liquidated by the person to whom the  
 7 property was assessed, nor has the delinquency been otherwise redeemed.

8 Because there has been no liquidation of the delinquency or other redemption, I hereby assign all rights,  
 9 title, and interest of the county of ....., state of Montana, acquired in ~~such~~ the property by virtue of the tax lien  
 10 sale to ..... (name and address of assignee) to proceed to obtain a tax deed to the property or receive payment  
 11 in case of redemption as provided by law.

12 Witness my hand and official seal of office this ..... day of ....., 20...

13 ..... County Treasurer

14 ..... County

15 (b) A copy of an assignment certificate must be mailed to the person to whom the taxes were assessed,  
 16 at the address of record, together with a notice that the person may contact the county treasurer for further  
 17 information on lien assignments and property tax sales.

18 (3) An assignment made by a purchaser other than the county, by an assignee of the county, or by a  
 19 previous assignee may be made for any consideration whatsoever. An assignment so made is legal and binding  
 20 only upon filing with the county treasurer a statement that the purchaser's or other assignee's interest in the  
 21 property has been assigned. The statement must contain:

- 22 (a) the name and address of the new assignee;
- 23 (b) the name and address of the original purchaser of the tax ~~sale~~ lien sale certificate;
- 24 (c) the name and address of each previous assignee, if any;
- 25 (d) a description of the property upon which the property tax lien was issued, which must contain the  
 26 same information as contained in the tax ~~sale~~ lien sale certificate or assignment certificate, as appropriate;
- 27 (e) the signature of the party, whether it is the purchaser or the assignee, making the assignment;
- 28 (f) the signature of the new assignee; and
- 29 (g) the date on which the statement was signed.

30 (4) If the certificate described in subsection (1) or the statement described in subsection (3) is lost or

1 destroyed, the county treasurer shall, upon adequate proof and signed affidavit by the assignee that loss or  
2 destruction has occurred, issue a duplicate certificate to the assignee.

3 (5) Prior to making a payment under subsection (1), a person shall send notice of the proposed payment,  
4 by certified mail, to the person to whom the property was assessed. The form of the notice must be adopted by  
5 the department by rule. The notice must have been mailed at least 2 weeks prior to the date of the payment. The  
6 person making the payment shall provide proof of the mailing.

7 (6) The provisions of this section apply to any sale of land for which a treasurer's deed was not issued  
8 on or before March 5, 1917, or for which a tax deed was not issued on or before April 23, 1987, and the holder  
9 of any certificate described in subsection (1) has the same rights, powers, and privileges with regard to securing  
10 a deed as any purchaser of land at a tax lien sale may now have."  
11

12 **Section 15.** Section 15-17-324, MCA, is amended to read:

13 **"15-17-324. Assessment of property sold at tax lien sale.** (1) The assessment of property on which  
14 a tax ~~sale~~ lien sale certificate has been issued or for which the county is listed as the purchaser<sub>1</sub> as provided in  
15 15-17-214<sub>1</sub> continues in the same manner as other property is assessed.

16 (2) If any assessed taxes are not paid when due, they are delinquent."  
17

18 **Section 16.** Section 15-17-325, MCA, is amended to read:

19 **"15-17-325. Sale not voided by misnomer of ownership.** When a tax ~~sale~~ lien sale certificate is  
20 acquired<sub>1</sub> as provided in 15-17-212<sub>1</sub> or when the county is listed as the purchaser<sub>1</sub> as provided in 15-17-214<sub>1</sub> and  
21 the taxes were properly assessed on the property of a particular person, no misnomer of ownership or other  
22 mistake relating to ownership affects the sale or renders it void or voidable."  
23

24 **Section 17.** Section 15-17-326, MCA, is amended to read:

25 **"15-17-326. Voided tax lien sale -- refund -- limitation on action for royalty interest.** (1) If a tax lien  
26 sale held under the provisions of this chapter is declared void by a court for irregularity in the assessment, levy,  
27 or sale, the money paid by the purchaser at the tax lien sale or by any assignee must be refunded, with interest  
28 at the rate payable upon delinquencies<sub>1</sub> as provided in 15-16-102<sub>1</sub> from the date of the payment, to the purchaser  
29 or owner of the tax ~~sale~~ lien sale certificate, together with any penalty paid by the purchaser.

30 (2) Following the payment of a refund as provided in subsection (1), the county is considered the

1 purchaser and has a property tax lien upon the property for the legal taxes on the property accruing from the date  
 2 of delinquency, plus penalties and interest as provided in 15-16-102. Any money refunded that was received, as  
 3 provided in 15-17-212, and distributed by the treasurer to the state or a city, town, or district must be charged to  
 4 the state, city, town, or district, respectively, by the treasurer and deducted from the next money due the state,  
 5 city, town, or district on account of taxes paid or collected. A purchaser of a property tax lien or owner ~~thereof~~ of  
 6 a property tax lien by assignment ~~where when~~ sales have been made by a city or town ~~which that~~ by resolution  
 7 or ordinance collects its own taxes instead of having the ~~same taxes~~ collected by the county treasurer must be  
 8 reimbursed in similar manner and in similar circumstances out of the city or town treasury upon order of the mayor  
 9 or, ~~where when~~ applicable, the city manager or ~~chairman~~ presiding officer of the city commission. The city or  
 10 town clerk or city or town treasurer, as appropriate, shall make proper charges and deductions against the  
 11 respective funds of the city or town upon the next collection of taxes by the city or town.

12 (3) The purchaser has a lien upon the property for the amount of taxes, penalties, interest, and costs  
 13 paid, with the interest to be at the rate specified for delinquencies in 15-16-102. If the purchaser is in possession  
 14 of the property and resides ~~thereon on the property~~, ~~he~~ the purchaser may not be ejected from the property until  
 15 his the purchaser's lien has been liquidated.

16 (4) All affirmative defenses at law or equity, including but not limited to estoppel, laches, and adverse  
 17 possession, may apply in a suit brought to challenge the title to a royalty interest in land claimed to have been  
 18 acquired by a county by tax deed.

19 (5) An action against a county to recover a royalty interest in land acquired by the county by tax deed  
 20 must be brought within the period prescribed in 27-2-210."  
 21

22 **Section 18.** Section 15-18-111, MCA, is amended to read:

23 **"15-18-111. Time for redemption -- interested party.** (1) Except as provided in subsection (2),  
 24 redemption of a property tax lien acquired at a tax lien sale or otherwise may be made by the owner, the holder  
 25 of an unrecorded or improperly recorded interest, the occupant of the property, or any interested party within 36  
 26 months from the date of the first day of the tax lien sale or within 60 days following the giving of the notice  
 27 required in 15-18-212, whichever is later.

28 (2) For property subdivided as a residential or commercial lot upon which special improvement district  
 29 assessments or rural special improvement district assessments are delinquent and upon which no habitable  
 30 dwelling or commercial structure is situated, redemption of a property tax lien acquired at a tax lien sale or

1 otherwise may be made by the owner, the holder of an unrecorded or improperly recorded interest, or any  
2 interested party within 24 months from the date of the first day of the tax lien sale or within 60 days following the  
3 giving of the notice required in 15-18-212, whichever is later.

4 (3) For the purposes of this chapter, an "interested party" includes a mortgagee, vendor of a contract  
5 for deed or the vendor's successor in interest, lienholder, or other person who has a properly recorded interest  
6 in the property. A person who has an interest in property on which there is a property tax lien but which interest  
7 is not properly recorded is not an interested party for the purposes of this chapter."

8

9 **Section 19.** Section 15-18-113, MCA, is amended to read:

10 **"15-18-113. Treasurer to record redemptions.** (1) Upon payment of all delinquent taxes, including  
11 penalties, interest, and costs, by the person to whom taxes were assessed or the person's agent to the county  
12 treasurer and refunded to the person listed as purchaser, as provided in 15-17-212(1)(e), 15-17-213, or  
13 15-17-214, or distributed, as provided in 15-18-114, the word "redeemed", the date, and the name of the  
14 redemptioner must be marked by the county treasurer on the tax ~~sale~~ lien sale certificate or in the record required  
15 in 15-17-214. Upon redemption, the county treasurer shall execute a certificate of redemption to be filed or  
16 recorded with the county clerk and recorder.

17 (2) The form of the certificate of redemption may be made as follows:

18 CERTIFICATE OF REDEMPTION

19 I, ....., the treasurer of ..... County, certify the following:

20 1. For tax years ..... (years), the taxes were delinquent on the following real property: .....  
21 (description of the property).

22 2. The tax lien on the property was sold on.....(date of the tax lien sale). Tax ~~Sale~~ Lien Sale Certificate  
23 No. .... or Tax Lien Assignment No. .... (if applicable).

24 3. The tax lien was redeemed on ..... (date of redemption) by the payment of:

- 25 Taxes .....
- 26 Penalty .....
- 27 Interest .....
- 28 Cost .....
- 29 Total .....
- 30 Receipt Number .....

1 4. The redemption was made by ..... (name of redemptioner).

2 Date:.....

3 .....

4 Signature"

5

6 **Section 20.** Section 15-18-114, MCA, is amended to read:

7 **"15-18-114. Distribution of redemption proceeds.** (1) When a property tax lien for which the county  
8 is listed as purchaser is redeemed, the money received from the redemption, including penalties and interest but  
9 not costs, must be distributed to the credit of the various funds to which the taxes would have originally been  
10 distributed and in the same proportion as the taxes would have originally been distributed.

11 (2) (a) When a property tax lien for which the recorded purchaser is other than the county is redeemed,  
12 the county treasurer shall distribute to the person listed as the purchaser on the tax ~~sale~~ lien sale certificate and  
13 in the record kept by the county treasurer the amount the purchaser paid the county for the property tax lien plus  
14 any subsequent amount paid pursuant to 15-18-112 plus interest, as specified in 15-16-102, from the date of  
15 payment until the date of redemption. Any money remaining after distributing redemption proceeds to the  
16 purchaser other than the county must be distributed pursuant to subsection (1).

17 (b) (i) The distribution must be made by certified mail, return receipt requested, by the county treasurer  
18 to the purchaser at the address listed on the tax ~~sale~~ lien sale certificate as provided in 15-17-212(1)(e).

19 (ii) If the money distributed to the purchaser is returned unopened to the county treasurer, the treasurer  
20 shall publish once a week for 2 consecutive weeks in the official newspaper of the county a notice stating that:

21 (A) the county treasurer is in possession of money belonging to the purchaser for the redemption of the  
22 delinquency on the property named in the tax ~~sale~~ lien sale certificate;

23 (B) the money ~~will~~ must be held by the county treasurer for a period of 1 year from the date of  
24 publication; and

25 (C) if the money is not claimed by the purchaser within the 1-year period, the purchaser relinquishes all  
26 claim to the money and the money ~~will~~ must be credited to the county general fund.

27 (3) The publication required in subsection (2)(b)(ii) must be made at least annually, but the 1-year period  
28 described in subsection (2)(b)(ii)(B) may not begin until the date of publication.

29 (4) The county treasurer shall keep an accurate account of all money paid in redemption, including a  
30 separate accounting of other delinquent taxes, interest, penalties, and costs, and when and to whom distributed."

1

2           **Section 21.** Section 15-18-211, MCA, is amended to read:

3           **"15-18-211. Tax deed -- fee.** (1) Except as provided in subsection (3), if the property tax lien is not  
4 redeemed in the time allowed under 15-18-111, the county treasurer shall grant the purchaser a tax deed for the  
5 property. The deed must contain the same information as is required in a tax ~~sale~~ lien sale certificate under  
6 15-17-212, except the description of the property must be the full legal description, and a statement that the  
7 property tax lien was not redeemed during the redemption period provided in 15-18-111.

8           (2) (a) Except as provided in subsection (2)(b), the county treasurer shall charge the purchaser \$25 plus  
9 all actual costs incurred by the county in giving the notice or assisting another purchaser or assignee in giving  
10 the notice required in 15-18-212 for making the deed, which fee must be deposited in the county general fund.

11           (b) If the purchaser is the county, no fee may be charged for making the deed.

12           (c) Reasonable costs incurred by the county in searching the county records to identify persons entitled  
13 to notice are considered part of the actual costs of the notice provided in subsection (2)(a).

14           (3) If the purchaser is the county and no assignment has been made, the county treasurer may not issue  
15 a tax deed to the county unless the board of county commissioners, by resolution, directs ~~him~~ the county  
16 treasurer to issue a tax deed.

17           (4) Deeds issued to purchasers must be recorded by the county clerk as provided in Title 7, chapter 4,  
18 part 26, except that when the county is the purchaser and subsequent tax deed holder, the county clerk may not  
19 charge a fee for recording the deed."

20

21           **Section 22.** Section 15-18-212, MCA, is amended to read:

22           **"15-18-212. Notice -- proof of notice -- penalty for failure to notify.** (1) Not more than 60 days prior  
23 to and not more than 60 days following the expiration of the redemption period provided in 15-18-111, a notice  
24 must be given as follows:

25           (a) for each property for which there has been issued to the county a tax ~~sale~~ lien sale certificate or for  
26 which the county is otherwise listed as the purchaser or assignee, the county clerk shall notify all persons  
27 considered interested parties in the property and the current occupant of the property, if any, that a tax deed may  
28 be issued to the county unless the property tax lien is redeemed prior to the expiration date of the redemption  
29 period; or

30           (b) for each property for which there has been issued a tax ~~sale~~ lien sale certificate to a purchaser other

1 than the county or for which an assignment has been made, the purchaser or assignee, as appropriate, shall  
2 notify all persons considered interested parties in the property, if any, that a tax deed will be issued to the  
3 purchaser or assignee unless the property tax lien is redeemed prior to the expiration date of the redemption  
4 period.

5 (2) (a) Except as provided in subsection (2)(b), if the county is the purchaser, an assignment has not  
6 been made, and the board of county commissioners has not directed the county treasurer to issue a tax deed  
7 during the period described in subsection (1) but the board of county commissioners at a time subsequent to the  
8 period described in subsection (1) does direct the county treasurer to issue a tax deed, the county clerk shall  
9 provide notification to all interested parties and the current occupant, if any, in the manner provided in subsection  
10 (1)(a). The notification required under this subsection must be made not less than 60 days or more than 120 days  
11 prior to the date on which the county treasurer will issue the tax deed.

12 (b) If the county commissioners direct the county treasurer to issue a tax deed within 6 months after  
13 giving the notice required by subsection (1)(a), additional notice need not be given.

14 (3) (a) If a purchaser other than the county or an assignee fails or neglects to give notice as required by  
15 subsection (1)(b) and the failure or neglect is evidenced by failure of the purchaser or assignee to file proof of  
16 notice with the county clerk as required in subsection (7), the county treasurer shall notify the purchaser or  
17 assignee of the obligation to give notice under subsection (1)(b). The notice of obligation may be sent by certified  
18 mail, return receipt requested, to the purchaser or assignee at the address contained on the tax ~~sale~~ lien sale  
19 certificate provided for in 15-17-212 or on the assignment form provided for in 15-17-323.

20 (b) If within 120 days after the county treasurer mails the notice of obligation the purchaser or assignee  
21 fails to give notice as required by subsection (1)(b), as evidenced by failure to file proof of notice with the county  
22 clerk as required in subsection (7), the county treasurer shall cancel the property tax lien evidenced by the tax  
23 ~~sale~~ lien sale certificate or the assignment. Upon cancellation of the property tax lien, the county treasurer shall  
24 file or record with the county clerk and recorder a notice of cancellation on a form provided for in 15-18-217.

25 (4) The notice required under subsections (1) and (2) must be made by certified mail, return receipt  
26 requested, to each interested party and the current occupant, if any, of the property. The address to which the  
27 notice must be sent is, for each interested party, the address disclosed by the records in the office of the county  
28 clerk and, for the occupant, the street address or other known address of the subject property.

29 (5) In all cases in which the address of an interested party is not known, the person required to give  
30 notice shall, within the period described in subsection (1) or not less than 60 days or more than 120 days prior

1 to the date upon which the county treasurer will otherwise issue a tax deed, whichever is appropriate, commence  
2 publishing once a week for 2 successive weeks, in the official newspaper of the county or another newspaper  
3 as the board of county commissioners may by resolution designate, a notice containing the information contained  
4 in subsection (6), plus:

- 5 (a) the name of the interested party for whom the address is unknown;  
6 (b) a statement that the address of the interested party is unknown;  
7 (c) a statement that the published notice meets the legal requirements for notice of a pending tax deed  
8 issuance; and  
9 (d) a statement that the interested party's rights in the property may be in jeopardy.

10 (6) The notices required by subsections (1), (2), and (5) must contain the following:

- 11 (a) a statement that a property tax lien exists on the property as a result of a property tax delinquency;  
12 (b) a description of the property on which the taxes are or were delinquent, which must be the same as  
13 the description of the property on the tax ~~sale~~ lien sale certificate or in the record described in 15-17-214(2)(b);  
14 (c) the date that the property taxes became delinquent;  
15 (d) the date that the property tax lien attached as the result of a tax lien sale;  
16 (e) the amount of taxes due, including penalties, interest, and costs, as of the date of the notice of  
17 pending tax deed issuance, which amount must include a separate listing of the delinquent taxes, penalties,  
18 interest, and costs that must be paid for the property tax lien to be liquidated;  
19 (f) the name and address of the purchaser;  
20 (g) the name of the assignee if an assignment was made as provided in 15-17-323;  
21 (h) the date that the redemption period expires or expired;  
22 (i) a statement that if all taxes, penalties, interest, and costs are not paid to the county treasurer on or  
23 prior to the date on which the redemption period expires or on or prior to the date on which the county treasurer  
24 will otherwise issue a tax deed, ~~that~~ a tax deed may be issued to the purchaser on the day following the date on  
25 which the redemption period expires or on the date on which the county treasurer will otherwise issue a tax deed;  
26 and  
27 (j) the business address and telephone number of the county treasurer who is responsible for issuing  
28 the tax deed.

29 (7) Proof of notice in whatever manner given must be filed with the county clerk. If the purchaser or  
30 assignee is other than the county, the proof of notice must be filed with the county clerk within 30 days of the

1 mailing or publishing of the notice. If the purchaser or assignee is the county, the proof of notice must be filed  
2 before the issuance of the tax deed under this chapter. Once filed, the proof of notice is prima facie evidence of  
3 the sufficiency of the notice.

4 (8) A county or any officer of a county may not be held liable for any error of notification."  
5

6 **Section 23.** Section 15-18-213, MCA, is amended to read:

7 **"15-18-213. Form of tax deed -- prima facie evidence.** (1) The form of a tax deed issued under the  
8 provisions of this chapter, executed by a county treasurer, must be made in substance as follows:

9 This deed is made by ..... (name of county treasurer), county treasurer of the county of ..... (name  
10 of county), in the state of Montana, to ..... (name of purchaser, the purchaser's agent, or assignee), as  
11 provided by the laws of the state of Montana:

12 Whereas, there was assessed for ..... (year) the following real property ..... (description of the  
13 property); and

14 Whereas, the taxes for ..... (year) levied against the property amounted to \$.....; and

15 Whereas, the taxes were not paid and a property tax lien for the payment of the taxes attached and was  
16 sold to ..... (name of purchaser or the purchaser's agent or assignee) on ..... (date, including year) for the  
17 sum of \$....., which amount included delinquent taxes in the amount of \$....., penalties in the amount of  
18 \$....., interest in the amount of \$....., and other costs in the amount of \$.....; and

19 Whereas, a tax ~~sale~~ lien sale certificate was ~~duy~~ issued and filed or the sale otherwise recorded as  
20 required by law; and

21 Whereas, notice was given to interested parties in accordance with 15-18-212 that the issuance of a tax  
22 deed was pending; and

23 Whereas, the property tax lien has not been redeemed by ..... (name of former owner) or any other  
24 person entitled to redeem it.

25 Now, therefore, I, ..... (treasurer's name), county treasurer of the county of ....., in the state of  
26 Montana, in consideration of the sum of \$..... paid, hereby grant to ..... (name of purchaser or the  
27 purchaser's agent or assignee) all the property situated in ..... County, state of Montana, described in this  
28 document.

29 Witness my hand on this date ..... (date, including year).

30 .....,County Treasurer



.....County

(2) A tax deed executed in substantially the form provided in subsection (1) is prima facie evidence that:

(a) the property was assessed as required by law;

(b) the taxes were levied in accordance with law;

(c) the taxes were not paid when due;

(d) notice of tax lien sale was given and a property tax lien was sold at the proper time and place as provided by law;

(e) the property was not redeemed, and proper notice of a pending tax deed issuance was made as required by law;

(f) the person who executed the deed was legally authorized to do so; and

(g) if the real property was sold to pay delinquent taxes on personal property, the real property belonged to the person liable to pay the personal property tax."

**Section 24.** Section 15-18-214, MCA, is amended to read:

**"15-18-214. Effect of deed.** (1) A deed issued under this chapter conveys to the grantee absolute title to the property described ~~therein~~ in the deed as of the date of the expiration of the redemption period, free and clear of all liens and encumbrances, except:

(a) when the claim is payable after the execution of the deed and:

(i) a property tax lien attaches subsequent to the tax lien sale; or

(ii) a lien of any special, rural, local improvement, irrigation, or drainage assessment is levied against the property;

(b) when the claim is an easement, servitude, covenant, restriction, reservation, or similar burden lawfully imposed on the property; or

(c) when the land is owned by the United States, this state, or a subdivision of this state.

(2) Under the conditions described in subsection (1), the deed is prima facie evidence of the right of possession accrued as of the date of expiration of the period for redemption or the date upon which a tax deed was otherwise issued."

**Section 25.** Section 15-18-215, MCA, is amended to read:

**"15-18-215. Form of notice that tax deed may issue.** Section 15-18-212 requires that notice be given



1 to all persons considered interested parties and to the current occupant of property that may be lost to a tax deed.

2 The notice may be made as follows:

3 NOTICE THAT A TAX DEED MAY BE ISSUED

4 TO:.....  
5 (Name) (Address, when unknown, so state)

6 Pursuant to section 15-18-212, Montana Code Annotated, NOTICE IS HEREBY GIVEN:

7 1. As a result of a property tax delinquency, a property tax lien exists on the following described real  
8 property in which you may have an interest:

9 .....  
10 .....

11 2. The property taxes became delinquent on ..... .

12 3. The property tax lien was attached as the result of a tax lien sale held on ..... .

13 4. The property tax lien was purchased at a tax lien sale on ..... by ..... (Name) ..... (Address).

14 5. The lien was subsequently assigned to ..... .

15 6. As of the date of this notice, the amount of tax due is:

- 16 TAXES: .....
- 17 PENALTY: .....
- 18 INTEREST: .....
- 19 COST: .....
- 20 TOTAL: .....

21 7. For the property tax lien to be liquidated, the total amount listed in paragraph 6 must be paid by .....,  
22 which is the date that the redemption period expires or expired.

23 8. If all taxes, penalties, interest, and costs are not paid to the county treasurer on or prior to ....., which  
24 is the date the redemption period expires, or on or prior to the date on which the county treasurer will otherwise  
25 issue a tax deed, a tax deed may be issued to the purchaser on the day following the date that the redemption  
26 period expires or on the date the county treasurer will otherwise issue a tax deed.

27 9. The business address and telephone number of the county treasurer who is responsible for issuing  
28 the tax deed is: ..... County Treasurer, ..... (Address), ..... (Telephone).

29 FURTHER NOTICE FOR THOSE PERSONS LISTED  
30 ABOVE WHOSE ADDRESSES ARE UNKNOWN:





1           **"39-3-501. Certain laws extended to certain employers in mineral and oil industry.** For the purposes  
 2 of this part, all the provisions of part 2 of this chapter extend to and govern every person, firm, partnership, or  
 3 corporation engaged in the business of extracting or of extracting and refining or reducing metals and minerals  
 4 or mining for coal or drilling for oil, except ~~such~~ persons, firms, partnerships, or corporations ~~as~~ that have a free  
 5 and unencumbered title to not less than one-half the fee of the property being worked. For this purpose, an  
 6 outstanding unpaid or unredeemed tax ~~sale~~ lien sale certificate is not considered an encumbrance."

7

8           **Section 29.** Section 85-7-2136, MCA, is amended to read:

9           **"85-7-2136. Collection of taxes or assessment.** (1) Subject to 15-10-420 and on or before the third  
 10 Monday in August of each year, the board of commissioners shall furnish to the department of revenue a correct  
 11 list of all the district lands in the county, together with the amount of the total taxes or assessments against the  
 12 lands for district purposes. The department of revenue shall immediately upon receipt of the list enter the  
 13 assessment roll in the property tax record of the county for each year.

14           (2) The county treasurer of each county in which any irrigation district is located, in whole or in part, shall  
 15 collect and receipt for all taxes and assessments levied by the district, in the same manner and at the same time  
 16 as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102. The  
 17 treasurer ~~shall~~ must receive from any taxpayer, at any time, the amount due on account of any district  
 18 assessments of any kind, whether other taxes on the same real estate are paid or not.

19           (3) During the water delivery season, as determined by the irrigation district commissioners, the county  
 20 treasurer shall make available to the board of commissioners of an irrigation district notice of the receipt of  
 21 payments of district assessments by 9 a.m. on the day following receipt of those payments.

22           (4) If requested in writing by a board of commissioners of an irrigation district, the county treasurer may  
 23 receive assistance from an employee of the irrigation district or a commissioner of the district for the purpose of  
 24 collecting district assessments as provided in 15-16-102, investing district funds as directed by the board of  
 25 commissioners of the district, and preparing district assessment notices.

26           (5) When any real estate on account of which the district taxes and assessments have been levied has  
 27 been sold to the county and a tax lien sale certificate ~~of sale~~ is held by the county, the taxpayer may pay to the  
 28 treasurer at any time any semiannual installment of the district tax or assessment, together with the penalty and  
 29 interest to date of payment on the installment. However, the payment may not be considered a redemption of the  
 30 property from the tax lien sale but must be credited on account of any redemption that may be made. In case of

1 any payment pursuant to this subsection, a separate tax receipt must be issued showing exactly what  
 2 assessments have been paid and showing that no other tax on the real estate has been received by the treasurer.  
 3 The county treasurer may not collect, receive, or receipt for any taxes levied for county purposes upon real estate  
 4 situated wholly or in part within any irrigation district upon which an assessment for the purposes of the irrigation  
 5 district has been levied unless the assessment levied for irrigation district purposes is either paid as permitted  
 6 in this section and the receipt for the payment is presented to the county treasurer at the time the taxes are paid  
 7 or paid at the time the irrigation district taxes are paid."

8

9 **Section 30.** Section 85-7-2152, MCA, is amended to read:

10 **"85-7-2152. Proceeds of sale.** Whenever any lot, tract, piece, or parcel of land included within and  
 11 forming a part of any irrigation district created under the provisions of this chapter or included within any extension  
 12 of ~~such the~~ district is sold by the treasurer of the county where ~~such the~~ land is situated in the manner provided  
 13 by law for the sale of lands for delinquent taxes for state and county purposes and taxes or assessments of the  
 14 irrigation district form all or a part of the taxes for which ~~such the~~ lands are sold, the county treasurer making ~~such~~  
 15 ~~the~~ sale or sales shall place to the credit of the proper funds of ~~such the~~ irrigation district, out of the proceeds of  
 16 the sale or sales, the total tax or assessment of the irrigation district, inclusive of the interest and penalty ~~thereon~~  
 17 on the proceeds as provided for by the general laws relating to delinquent taxes for state and county purposes,  
 18 ~~and whenever~~ When any ~~such of the~~ lands are struck off at ~~such the~~ tax lien sale to the county where they are  
 19 situated pursuant to the provisions of 15-17-214, the county treasurer of the county ~~must shall~~, upon the issuance  
 20 of the tax lien sale certificate ~~of tax sale~~ to the county, issue to the irrigation district, in its corporate name, a  
 21 debenture certificate for the amount of taxes and assessments due to the irrigation district from the lands and  
 22 premises ~~so that were~~ sold, inclusive of the interest and penalty, ~~thereon, which~~ The certificate is evidence of and  
 23 conclusive of the interest and claim of the irrigation district in, to, against, and upon the lands and premises ~~so~~  
 24 ~~that were~~ struck off to the county at the tax lien sale,  
 25 ~~and after~~ After the issuance of the certificate, the sum  
 26 named ~~therein in the certificate~~ and the taxes and assessments of the district evidenced ~~thereby by the certificate~~  
 27 ~~shall bear~~ bear interest at the rate of 1% a month from the date of the certificate until redeemed in the manner  
 28 provided for by law for the redemption of the lands sold for delinquent state and county taxes or until paid from  
 29 the proceeds of the sale of the lands and premises described ~~therein in the certificate~~ in the manner provided for  
 30 by law,  
 31 ~~and duplicates~~ Duplicates of ~~such~~ certificates ~~so~~ issued to the irrigation district ~~shall~~ must be filed in the  
 32 office of the county clerk and county treasurer of the county with the tax lien sale certificate ~~of tax sale~~ of the lands

1 and premises."

2

3 **Section 31.** Section 85-7-2157, MCA, is amended to read:

4 **"85-7-2157. Purchase of lands by district -- revolving fund, credits, and expenditures.** (1) At all  
5 sales of all lands for delinquent taxes ~~where~~ when all or a portion of ~~such the~~ delinquent taxes are taxes and  
6 assessments levied and assessed by ~~any an~~ irrigation district against the lands to be sold, the commissioners  
7 of ~~such the~~ irrigation district, if there ~~be~~ is no other bidder for ~~such the~~ land at ~~such the~~ tax lien sale, may bid  
8 ~~therefor on the land for~~ the total amount of all delinquent taxes and assessments, penalty, and interest against  
9 ~~such the~~ land; ~~and thereupon~~ If the commissioners are the only bidder, the county treasurer shall strike off ~~said~~  
10 ~~the~~ lands to ~~such the~~ irrigation district and issue tax lien sale certificates ~~of tax sale~~ to ~~said the~~ irrigation district  
11 the same as ~~such tax lien sale~~ certificates ~~of tax sales~~ are issued to other purchasers. For the purpose of paying  
12 ~~such the~~ taxes, assessments, interest, and penalties, the commissioners of ~~such the~~ irrigation district ~~shall have~~  
13 ~~the power and authority to~~ may create by resolution a fund ~~to be known and designated as the~~ revolving fund for  
14 the purchase of tax lien sale certificates and titles, ~~and to~~ The commissioners may provide funds for ~~such the~~  
15 revolving fund by levy, bond issue, or otherwise. The district may pay ~~such the~~ taxes, assessments, interest, and  
16 penalties by issuing a warrant to the county treasurer against ~~such the~~ revolving fund; ~~provided that there shall~~  
17 ~~be if there is~~ sufficient money in ~~such the~~ fund ~~to pay same in full upon demand.~~

18 (2) When taxes are paid by the district as provided in this part, the county treasurer shall distribute that  
19 portion of ~~said the~~ tax belonging to the irrigation district to the several funds as designated in the tax levy and  
20 assessment. However, if the board of commissioners of the irrigation district ~~shall~~ file with the county treasurer  
21 a certified copy of the resolution passed by ~~such the~~ commissioners requesting nondistribution by the county  
22 treasurer of the portion of the tax belonging to the district, the county treasurer ~~shall~~ may not distribute that portion  
23 of ~~said the~~ tax belonging to the irrigation district to the several funds as designated in the tax levy and  
24 assessment, but the total amount due the irrigation district ~~shall~~ must be credited by ~~him~~ the treasurer to the  
25 revolving fund ~~above specified. In such event,~~ If money is credited to the revolving fund, at the time of the sale  
26 by the district of the tax ~~sale~~ lien sale certificate or of the property obtained through ~~such the~~ certificate, ~~such the~~  
27 funds ~~as that~~ are realized from ~~such the~~ sale must be deposited with the county treasurer, together with the  
28 rentals received from the property, and ~~he~~ the treasurer shall credit the proceeds of ~~such the~~ redemption sale or  
29 rental pro rata to the several funds of the district in accordance with the original levy or assessment.

30 (3) At the time of redemption or of the sale by the district of the tax ~~sale~~ lien sale certificate or of the

1 property obtained through ~~such the~~ certificate, ~~such the~~ funds as ~~that~~ are realized must be deposited with the  
 2 county treasurer, together with rentals received from the property. ~~He~~ The county treasurer shall credit the  
 3 proceeds of ~~such the~~ redemption, sale, or rentals to the ~~above specified~~ revolving fund to ~~such the~~ extent ~~as may~~  
 4 ~~be required, with the credit provided for above,~~ to reimburse ~~said the~~ revolving fund in full; ~~if~~ If the sum realized  
 5 permits, ~~the overplus, if any excess, to~~ must be credited to the several funds of the district in accordance with the  
 6 original levy and assessment. ~~No expenditures shall~~ Expenditures may not be made from the revolving fund  
 7 except for the purpose as herein specified, and when, by resolution of the ~~as~~ as provided in this section. The board  
 8 of irrigation district commissioners may, by resolution, ~~such when the fund shall be deemed~~ becomes inactive,  
 9 ~~the balance remaining in said fund shall be transferred~~ transfer the balance to a sinking fund to ~~be applied upon~~  
 10 pay any indebtedness ~~which may have that had~~ been incurred by the district by reason of the creation of ~~such~~  
 11 the revolving fund, ~~if any there may be."~~

12

13 **Section 32.** Section 85-7-2158, MCA, is amended to read:

14 **"85-7-2158. Purchase of lands by district -- tax lien sale certificates and payment.** (1) Any irrigation  
 15 district may:

16 (a) purchase the tax lien sale certificate ~~of tax sale~~ issued to any county for lands sold at a tax lien sale  
 17 against which any of its taxes and assessments are delinquent; or

18 (b) if a deed ~~therefor~~ has issued to the county, purchase ~~such the~~ lands from the county by paying all  
 19 state, county, city, school district, and other delinquent taxes, together with penalty, interest, and costs of  
 20 publication and sale to the county treasurer of the county making the sale.

21 (2) ~~Such~~ The payment ~~shall~~ must be made by the commissioners of ~~such the~~ district by issuing and  
 22 delivering to the county treasurer a warrant drawn against the revolving fund of ~~said the~~ district; ~~provided there~~  
 23 ~~shall be~~ if there is sufficient money in ~~said the~~ fund to pay ~~same the~~ warrant in full upon demand. ~~Thereupon, such~~  
 24 ~~treasurer~~ The county treasurer shall then assign ~~such the~~ tax lien sale certificate ~~of tax sale~~ to ~~such the~~ irrigation  
 25 district ~~as in the case of the purchase thereof by any other person,~~ or the commissioners of the county shall  
 26 convey ~~such the~~ lands to ~~said the~~ district ~~in case if the tax deed therefor has been~~ was issued to the county."  
 27

28

28 **Section 33.** Section 85-7-2159, MCA, is amended to read:

29 **"85-7-2159. Issuance of tax deed.** ~~When~~ If there has been no redemption of ~~the~~ lands sold at a tax lien  
 30 sale to an irrigation district or by any other person or no redemption of ~~the~~ lands struck off to the county for which

1 ~~a tax lien sale~~ certificate of sale has been assigned to an irrigation district or any other person in the manner and  
 2 ~~within the time allowed as provided by law~~ for the redemption of lands from tax lien sales, the county treasurer  
 3 of the county within which the lands are situated shall issue a tax deed for the lands to the irrigation district or any  
 4 other holder of a tax lien sale certificate of sale."

5

6 **Section 34.** Section 85-7-2162, MCA, is amended to read:

7 **"85-7-2162. Powers of district commissioners to acquire and manage tax lien sale lands.** (1) In  
 8 addition to the powers ~~heretofore granted to~~ of irrigation districts, the commissioners of every irrigation district  
 9 established and organized under and by virtue of the laws of the state of Montana ~~shall have power to~~ may:

10 (a) purchase lands within their respective districts ~~heretofore that had been~~ sold and conveyed to the  
 11 county for nonpayment of taxes and assessments, purchase tax lien sale certificates of ~~tax sales of such the~~ land  
 12 when struck off to the county, and take title thereto to the land for their district;

13 (b) own, manage, operate, lease, sell, and dispose of the ~~same~~ land for the use and benefit of their  
 14 respective districts ~~upon such terms as shall, in the judgment of the board of commissioners of such irrigation~~  
 15 ~~district, be deemed most advantageous to the district;~~

16 (c) sue and be sued in reference to ~~said the~~ lands in the name of their respective irrigation districts; and  
 17 commence, maintain, and prosecute suits to quiet title to ~~said the~~ lands and any ~~and all~~ other suits in equity or  
 18 actions at law with reference ~~thereto to the lands~~, the same as ~~might be done by~~ any other individual or corporate  
 19 owners of ~~such the~~ lands; and

20 (d) do any ~~and all~~ other acts or things necessary or beneficial for their respective districts in connection  
 21 with ~~such the~~ lands.

22 (2) ~~Such The~~ lands ~~shall must~~ be first offered for sale at public sale, and the commissioners may reject  
 23 any ~~and all~~ bids ~~thereon on the land~~; if, in their judgment, ~~such the~~ bids are insufficient. ~~No such The~~ lands ~~shall~~  
 24 ~~may not~~ be sold at private sale at a price less than the highest bid ~~therefor made~~ at the public sale at which ~~such~~  
 25 ~~the lands are were~~ offered for sale; ~~and if no~~ If a bid is ~~not~~ received for ~~said the~~ land when ~~said the~~ land is offered  
 26 at public sale, the commissioners may then sell the ~~same~~ land in ~~such the~~ manner, and at ~~such the~~ price, and  
 27 upon ~~such the~~ terms as in their judgment shall be for the best interests of said district ~~that they choose~~.

28 (3) The board of commissioners of any irrigation district ~~shall be and they are hereby authorized and~~  
 29 ~~empowered to do any and all things~~ may do what is necessary to carry out the provisions and intentions of  
 30 85-7-2157 through 85-7-2164."

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

**Section 35.** Section 85-7-2163, MCA, is amended to read:

**"85-7-2163. Granting of tax deed.** The holder of the tax lien sale certificate ~~of tax sale~~ must be granted a tax deed by the county treasurer in the manner and form provided by Title 15, chapter 18."

**Section 36.** Section 85-8-601, MCA, is amended to read:

**"85-8-601. Certification and collection of district taxes.** (1) Subject to 15-10-420 and on or before the third Monday in August of each year, the commissioners shall certify to the department of revenue a correct list of all the district lands in each county and the owners of the lands, together with a statement of the amount of the total tax or assessment against the lands for district purposes for that year. The department of revenue shall immediately enter the assessment roll in the property tax record of the county for each year.

(2) The county treasurer of each county in which a drainage district is located, in whole or in part, shall collect and receipt for all taxes and assessments levied by the district in the same manner and at the same time as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102. However, the treasurer must receive from any taxpayer, at any time, the amount due on account of any district assessments of any kind, whether other taxes on the same real estate are paid or not. When any real estate on account of which the district taxes and assessments have been levied has been sold to the county and the tax lien sale certificate ~~of sale~~ is held by the county, the taxpayer may pay to the treasurer at any time any semiannual installment of the district tax or assessment, together with the penalty and interest to date of payment on the installment. However, the payment may not be considered a redemption of the property from the tax lien sale, but must be credited on account of any redemption that may later be made. In case of any payment pursuant to this subsection, a separate tax receipt must be issued showing exactly what assessments have been paid and showing that no other tax on the real estate has been received by the treasurer. However, the county treasurer may not collect, receive, or receipt for any taxes levied for county purposes upon real estate situated wholly or in part within any drainage district upon which an assessment for the purposes of the drainage district has been levied unless the assessment levied for the drainage district purposes is either paid as provided in this section and the receipt is presented to the county treasurer at the time the real estate taxes are paid or paid at the time the drainage district taxes are paid."

- END -